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SUMMARY-INDEX OF WEEK'S NEWS

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Broadcast

COMMITTEE APPROVES TV, RADIO BILLS: In unusual action, Senate Commerce Committee passes TV licensing, radio deregulation, user fee bills as part of budget report. House may challenge move. (P. 1)

FCC TO OK NETWORKS' ENTRY into programming for cable, other new technology. Rulemaking won't be necessary, majority now feels. Vote due June 16. (P. 2)

LEE OFFERS '10 COMMANDMENTS' for colleagues on Commission and bar, says Sunshine Act has hurt. (P. 4)

WIRTH SEEKS FINANCIAL DATA: Subcommittee asks 150 companies for detailed financial information; mixed reaction from communications attorneys. (P. 5)

TELETEXT, VIDEOTEXT highlight largest-ever ANPA management conference. Yuma Daily Sun to replace Reuters with CNN; Knight-Ridder may expand Fla. test. (P. 6)

FCC OKs CAPITAL CITIES' buy of Cablecom General systems from RKO. (P. 6)

ELECTION WARNING ISSUED: House urges network news chiefs to exercise voluntary restraint on early reporting of election results. (P. 7)

SENATE PASSES TV, RADIO MEASURES: In unusual parliamentary maneuver, Senate Commerce Committee took action on major communications bills by attaching them to routine report to Budget Committee. Action, which was unanimous, has same effect as if bills were formally reported from Committee. "This is not what budget reconciliation is all about," said critic on House side.

Bills affected include 3 which haven't gone beyond hearing stage in Committee: (1) S-601 calling for 5-year TV licensing, lottery for first licenses, end of comparative renewal procedures. (2) S-270 which calls for radio deregulation. (3) S-929 which would increase amateur radio license term and permit volunteer licensees to monitor signals for violations. Others already had been reported out of Committee: (1) CPB authorization measure, S-720. (2) S-821 authorizing FCC appropriations and requiring Commission to institute user fees. (3) S-271 which would permit Western Union to offer international telex service. Controversial measure has been focus of jurisdictional battle between Commerce and Judiciary Committees.

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Consumer Electronics

COLOR SALES RECORD set in May as dealers bought at 12.4 million annual rate, EIA figures show. Inventories still at record. (P. 10)

AVERAGE COLOR PRICES rose in first quarter, after 4th quarter dip last year, ITC reports. Domestic output at new high. (P. 10)

COMPLETE COLOR IMPORTS doubled in April on surge in shipments from Canada, Japan, Singapore & Taiwan. VCRs set record. (P. 11)

MAGNAVOX RETURNING to exclusive franchise policy, to count on Sylvania & Philco for increased volume, Vp Thomson says. (P. 12)

AMERICAN HOME VIDEO plans 90 new Videoconcepts stores this year, expects \$6.1 million pre-tax on \$146 million sales. (P. 12)

RCA UPPING CAPACITY of videodisc plant, eyes 30 million yearly. CBS to ship 600,000 discs this year. New German LV disc source. (P. 13)

MGA REVAMPS COLOR line with new chassis, tube, FM stereo tuners. (P. 14)

— **NTSC VERSION** of V2000 VCR due here from Grundig has slower tape, higher head speed, than European model. Other VCR notes. (P. 15)

In addition, Committee made changes to bills in unorthodox session: (1) Lottery for first time TV & radio licenses has been made retroactive, can be used for all applications on file at Commission when law is enacted. (2) In radio bill, FCC authority in revocation proceedings has been expanded to include issuing cease & desist orders. Original bill would have given FCC power only to revoke or deny. Industry had urged additional "hand slapping" action as middle ground. (3) Deadline for FCC to take action after revocation hearing has been extended from 30 to 60 days.

Action came without warning. Committee had announced only that it was holding open budget reconciliation session. Committee leadership, including minority side, met privately night before, hammered out agreement. Reconciliation process, which was vehicle for surprise action, works like this: After Senate sets ceiling for overall federal budget, each Committee is given funding ceiling for agencies over which it has jurisdiction. Committee then must report to Senate Budget Committee changes needed to conform with ceilings (or "reconcile" earlier Committee budget recommendations with new ceiling).

Technically, measures no longer are bills, only provisions in report to Budget Committee used to show how money can be spent or saved — for example, FCC fee bill (S-821) is used to show \$28 million savings next year. However, Budget Committee will take reports from all committees, turn them into one overall budget bill. Bottom line: Communications measures will be buried in huge bill. If passed by Senate, bill will go to House-Senate conference, made up of majority & minority leaders of every committee involved, making it extremely difficult for House to seek revisions. House version of FCC authorization-fee bill was passed on floor 2 days before Senate action. House CPB bill, which includes new formula for distributing money, is set for June 17 floor vote. Both could be circumvented by Senate move.

House passed FCC fee bill by 360-21 vote. Bill (HR-3239) also authorizes \$77.3 million FCC appropriation, amount proposed by Administration, and places agency on one-year authorization. Action occurred after short debate during which bill was endorsed by Rep. Collins (R-Tex.), ranking minority member on House Telecommunications Subcommittee. During debate, Subcommittee Chmn. Wirth (D-Colo.) said he has "pledged quarterly hearings to review FCC activities." Said Collins: "This bill is more than a straight reauthorization. For good reason, several fundamental changes in FCC operations have been made... Our Subcommittee hearings disclosed that the FCC needs direction, needs guidance, needs legislation, and needs leadership from us in helping to establish program priorities." House also passed with Collins' endorsement HR-3240 authorizing \$16.47 million for NTIA.

TV networks have declined to comment on Senate action, saying more study is needed. However, action clearly is favorable to industry, which long has sought similar provisions in TV license and radio deregulation bills. Although industry doesn't favor FCC fees, many industry lobbyists reportedly were willing to accept fee bill if other 2 bills were passed. Most upset by action were consumer groups which fought TV-radio bills. Saying it's "unfair" for Committee to take action without first warning public interest groups, NCCB Director Samuel Simon said: "By tying [measures] to budget matters, they are assuring that these measures will not be directly considered. They are seeking fundamental changes in the nation's communications laws that deserve separate consideration before the entire Senate."

Challenge from House side is almost certain; however, leadership has not yet determined what strategy to take. Problem: Senate Commerce Committee's action never has been taken before. Even Budget Committee reportedly is uncertain about propriety of action. House leaders probably will seek supporter in Senate to raise objection, which probably would be dealt with through parliamentary ruling on Senate floor.

FCC TO OK NETWORKS IN NON-AIRED PROGRAMMING: TV networks and RCA will breathe collective sigh of relief sometime tomorrow. Majority of members of FCC apparently will put aside their misgivings and approve CBS petition for declaratory ruling that network ownership of non-broadcast programming doesn't violate 1970 rule prohibiting networks from syndicating off-network product. Commission meets again on question June 16, after voting 3-2 last April to seek more information before acting (Vol. 21:15 p8).

broadcasting industry, but
then strongly opposed by con-
servative groups that have argued the
FCC needs to maintain tight control
over the station operators to make
sure they are serving the needs of
their local communities.

Committee officials yesterday just-
ified including these provisions in
the reconciliation measure because
they said that by reducing reg-
ulation, the committee is also man-
aging to cut some \$31 million from
the FCC's budget because if the FCC
will not need as many people to su-
pervise the broadcasting and tele-
graph industry so closely.

Additionally, they said, while the
committee relaxed the rules, they al-
so sharply boosted the fee station
owners will have to pay for their li-
censes.

"Before we ask them to pay more,
we should try to reduce regulation
as far as possible," said William M.
Diefenderfer III, committee's staff
director.

"We're not rushing the bills
through," Diefenderfer added, not-
ing "we could have walked (the
broadcasting bills) through the Sen-
ate" anytime.

The reason for putting them on
legislation now, he said, was be-
cause "it saved a lot of money and
was a tactical maneuver - it was one
way to get our legislation consid-
ered."

New York Times, 6/11/81, p. A16

TV Executives Oppose Curb on Vote Projections

WASHINGTON, June 10 (UPI) — News
executives of the three major television
networks today strongly opposed any at-
tempt by Congress to limit their right to
project election winners before all polls
in the country have closed.

The heads of ABC News, CBS News and
NBC News agreed that there was no
evidence that projections of Presi-
dential election winners, based on re-
turns from the eastern half of the nation,
affected the outcome of Congressional
and local elections or reduced voter turn-
out in the West.

Testifying at a joint hearing of the
House Administration Committee and the
Subcommittee on Telecommunications,
Consumer Protection and Finance, they
said that attempts to regulate network
projections would violate their First
Amendment right of freedom of speech.

"We cannot patronize our audience by
withholding from them what we know,"
said William Leonard, president of CBS
News.

Washington Post, 6/11/81, p. A38

Medical Rescue Flight Delayed for TV Coverage

By Al Senia

Special to The Washington Post

PHOENIX, June 10 — A decision
last week to delay the flight of a med-
ical rescue team to accommodate a
television news crew has led to the fir-
ing of a health professional, the threat
of a lawsuit and a barrage of nasty ac-
cusations and countercharges.

Three producers and a news cor-
respondent from ABC-TV's "20-20"
show arrived here to research and film
a story on emergency infant care in
Arizona.

They focused on the Air Evac res-
cue program, an air ambulance service
operated by Samaritan Health Service
of Phoenix and a local hospital. Air
Evac uses chartered aircraft and a
team of physicians to respond to pa-
tients in remote areas who need
prompt medical attention and possible
quick transportation to hospitals. One
element of the service deals exclusive-
ly with newborn infants.

ABC saw the possibility of some
dramatic footage in accompanying
doctors flying to treat babies in out-
back parts of Arizona.

But its crew became the center of
controversy June 2, when several Air
Evac officials delayed for an hour the
departure of an emergency flight from
Phoenix to Douglas, a mining town
with a population of 12,000 near the
Mexican border, so that a larger plane
could be outfitted for the television
producers and cameramen.

An infant in Douglas suffering from
"respiratory distress" was waiting to be
flown to a hospital in Tucson. The
child's life apparently was not in dan-
ger.

When the TV crew failed to show
up at the airport in Phoenix, the Air
Evac plane took off. The ABC per-
sonnel followed later on another air-
craft.

The Arizona Republic played the
story on its front page, leading to an
investigation by Samaritan Health
Service and the suspension of Tom
Sweeney, director of the Air Evac pro-
gram.

Samaritan President Stephen Mor-
ris said Sweeney was fired because, as
director of Air Evac, "the responsibil-
ity was on his shoulders."

Sweeney claims he is "a sacrificial
lamb." He said lower level officials
made the decision to delay the plane's
departure, and that he found out
about it later. Sweeney has threatened
to sue Samaritan unless he is rein-
stated and receives a public apology.

Alan Raymond, director of news in-
formation for ABC, said today that
any inference that the network was
responsible for the flight delay was
false. "Our people called and chartered
a flight... after the other plane had
taken off," Raymond said. "Our inten-
tion was to follow the [Air Evac]
plane... not be on [it]. They did not
request any delay. They didn't know
of any delay."